

Office of the Secretary of the Treasury

§ 50.1

insurance (life, health, and accident), taxes, installment payments for which the individual is already liable, medical expenses, support expenses for which the individual is legally responsible, and other miscellaneous expenses that the individual can establish as being ordinary and necessary.

§ 29.526 Waiver precluded.

Waivers will not be offered or granted when—

(1) The overpayment was obtained by fraud, misrepresentation, or by improper negotiation of checks or withdrawal of electronic fund transfer payments after the death of the payee; or

(2) The overpayment was made to an estate and a timely demand for repayment is made prior to the final disbursement by the administrator or executor of the estate.

PART 50—TERRORISM RISK INSURANCE PROGRAM

Subpart A—General Provisions

Sec.

- 50.1 Authority, purpose and scope.
- 50.2 Responsible office.
- 50.4 Mandatory participation in Program.
- 50.5 Definitions.
- 50.6 Rules of construction for dates.
- 50.7 Special rules for Interim Guidance safe harbors.
- 50.8 Procedure for requesting determinations of controlling influence.
- 50.9 Procedure for requesting general interpretations of statute.

Subpart B—Disclosures as Conditions for Federal Payment

- 50.10 General disclosure requirements.
- 50.11 Definition.
- 50.12 Clear and conspicuous disclosure.
- 50.13 Offer, purchase, and renewal.
- 50.14 Separate line item.
- 50.17 Use of model forms.
- 50.18 Disclosure required by reinstatement provision.
- 50.19 General disclosure requirements for State residual market insurance entities and State workers' compensation funds.

Subpart C—Mandatory Availability

- 50.20 General mandatory availability requirements.
- 50.21 Make available.
- 50.23 No material difference from other coverage.

- 50.24 Applicability of State law requirements.

Subpart D—State Residual Market Insurance Entities; Workers' Compensation Funds

- 50.30 General participation requirements.
- 50.33 Entities that do not share profits and losses with private sector insurers.
- 50.35 Entities that share profits and losses with private sector insurers.
- 50.36 Allocation of premium income associated with entities that do share profits and losses with private sector insurers.

Subpart E—Self-Insurance Arrangements; Captives [Reserved]

Subpart F—Claims Procedures

- 50.50 Federal share of compensation.
- 50.51 Adjustments to the Federal share of compensation.
- 50.52 Initial Notice of Insured Loss.
- 50.53 Loss certifications.
- 50.54 Payment of Federal share of compensation.
- 50.55 Determination of Affiliations.

Subpart G—Audit and Investigative Procedures

- 50.60 Audit Authority
- 50.61 Recordkeeping

Subpart H—Recoupment and Surcharge Procedures [Reserved]

Subpart I—Federal cause of action; Approval of settlements

- 50.80 Federal cause of action and remedy.
- 50.81 State causes of action preempted.
- 50.82 Advance approval of settlements.
- 50.83 Procedure for requesting approval of proposed settlements.
- 50.84 Subrogation.
- 50.85 Amendment related to settlement approval.

AUTHORITY: 5 U.S.C. 301; 31 U.S.C. 321; Title I, Pub. L. 107-297, 116 Stat. 2322 (15 U.S.C. 6701 note), as amended by Pub. L. 109-144, 119 Stat. 2660 (15 U.S.C. 6701 note).

SOURCE: 68 FR 9811, Feb. 28, 2003, unless otherwise noted.

Subpart A—General Provisions

§ 50.1 Authority, purpose and scope.

(a) *Authority.* This Part is issued pursuant to authority in Title I of the Terrorism Risk Insurance Act of 2002, Pub. L. 107-297, 116 Stat. 2322, as amended by

§ 50.2

the Terrorism Risk Insurance Extension Act of 2005, Pub. L. 109-144, 119 Stat. 2660.

(b) *Purpose.* This Part contains rules prescribed by the Department of the Treasury to implement and administer the Terrorism Risk Insurance Program.

(c) *Scope.* This Part applies to insurers subject to the Act and their policyholders.

[68 FR 9811, Feb. 28, 2003, as amended at 71 FR 27569, May 11, 2006]

§ 50.2 Responsible office.

The office responsible for the administration of the Terrorism Risk Insurance Act in the Department of the Treasury is the Terrorism Risk Insurance Program Office. The Treasury Assistant Secretary for Financial Institutions prescribes the regulations under the Act.

[68 FR 41264, July 11, 2003.]

§ 50.4 Mandatory participation in Program.

Any entity that meets the definition of an insurer under the Act is required to participate in the Program.

§ 50.5 Definitions.

For purposes of this Part:

(a) *Act* means the Terrorism Risk Insurance Act of 2002.

(b) *Act of terrorism*—(1) *In general.* The term *act of terrorism* means any act that is certified by the Secretary, in concurrence with the Secretary of State and the Attorney General of the United States:

(i) To be an act of terrorism;

(ii) To be a violent act or an act that is dangerous to human life, property, or infrastructure;

(iii) To have resulted in damage within the United States, or outside of the United States in the case of:

(A) An air carrier (as defined in 49 U.S.C. 40102) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States); or

(B) The premises of a United States mission; and

31 CFR Subtitle A (7-1-06 Edition)

(iv) To have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

(2) *Limitations.* The Secretary is not authorized to certify an act as an act of terrorism if:

(i) The act is committed as part of the course of a war declared by the Congress (except with respect to any coverage for workers' compensation); or

(ii) property and casualty losses resulting from the act, in the aggregate, do not exceed \$5,000,000.

(3) *Judicial review precluded.* The Secretary's certification of an act of terrorism, or determination not to certify an act as an act of terrorism, is final and is not subject to judicial review.

(c)(1) *Affiliate* means, with respect to an insurer, any entity that controls, is controlled by, or is under common control with the insurer. An affiliate must itself meet the definition of insurer to participate in the Program.

(2) For purposes of paragraph (c)(1) of this section, an insurer has control over another insurer for purposes of the Program if:

(i) The insurer directly or indirectly or acting through one or more other persons owns, controls, or has power to vote 25 percent or more of any class of voting securities of the other insurer;

(ii) The insurer controls in any manner the election of a majority of the directors or trustees of the other insurer; or

(iii) The Secretary determines, after notice and opportunity for hearing, that an insurer directly or indirectly exercises a controlling influence over the management or policies of the other insurer, even if there is no control as defined in paragraph (c)(2)(i) or (c)(2)(ii) of this section.

(3) An insurer described in paragraph (c)(2)(i) or (c)(2)(ii) of this section is conclusively deemed to have control.

(4) For purposes of a determination of controlling influence under paragraph (c)(2)(iii) of this section, if an insurer is not described in paragraph (c)(2)(i) or